VoiceLog®

VoiceLog LLC

Sales Office:
6904 Old Gate Lane
Rockville, MD 20852
Phone: 301.230.2129
Fax: 301.230.2109

Headquarters:
9509 Hanover South Trail
Charlotte, NC 28210
Phone: 704.543.6613
Fax: 704.543.1458

November 15, 1998

Re: FCC Docket No. 94-129
Ex Parte Comments

Magalie R. Salas, Esq.
Secretary of the Commission
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Dear Ms. Salas:

Enclosed are Ex Parte Comments on CC Docket No. 94-129, "Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996".

We are sending these comments based on a brief discussion with Anita Cheng, who suggested that additional comments may still be useful and welcome in the matter.

Thank you for your help in this matter.

Sincerely,

Jim Veilleux
President

Cc: Anita Cheng

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)
)
Implementation of the) CC Docket No. 94-129
Subscriber Carrier Selection)
Changes Provisions of the)
Telecommunications Act of 1996:)
)
Policies and Rules Concerning)
Unauthorized Changes of Consumers')
Long Distance Carriers)

Ex Parte Comments of

James Veilleux
VoiceLog LLC
9509 Hanover South Trail
Charlotte, NC 28210

VoiceLog LLC submits these Ex Parte Comments on November 16, 1998 regarding Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, CC Docket 94-129.

Summary

In these Ex Parte Comments, Voice Log LLC shows the applicability of certain Automated Third Party Verification processes to the elimination of slamming and demonstrates how these processes may be used by carriers in an inexpensive and efficient fashion that will enhance competition. In addition, VoiceLog offers its opinions regarding some of the standards that should be used in the development of verification requirements for PC changes.

Background

VoiceLog is the originator and chief proponent of "Automated Third Party Verification" ("automated TPV"), a subset of Third Party Verification ("TPV") in which the verifier is not a human operator but instead an automated system which "asks" the customer the verification questions and records the answers. VoiceLog has already filed comments demonstrating the advantages of its automated system for the documentation and verification of long distance sales.

Over the last 18 months, VoiceLog has been enhancing its services to strengthen the commercial appeal of those services and to strengthen the fraud control capabilities of the VoiceLog system. For example, VoiceLog has introduced or is developing: (1) an operator review process in which a human operator listens to every VoiceLog recording for specific clients, (2) an instant callback process designed to verify the number from which the order is being placed, (3) automated speech recognition technology, (4) automated speaker verification technology, and (5) Total Slamming Control™ - a product which guarantees to the client to eliminate slamming and the risk of fines from slamming complaints.

VoiceLog intends to continue and enhance its use of technology in the coming months. In addition, we expect to fully integrate the use of live operators for certain VoiceLog services.

Although VoiceLog and automated TPV are relatively new, the Commission should be aware that VoiceLog now serves approximately 22% of those companies marketing competitive long distance and local services and has the largest number of clients of any third party verification vendor in the country[1].

The purpose of these comments is to show how these types of developments make TPV feasible for many sales contexts in which carriers traditionally have not been able to use TPV. (Note: VoiceLog uses the term "sales" to refer to orders for Primary Carrier Changes.)

A. Automated TPV is Feasible for most PC Carrier Change Verifications

I. Automated TPV is Feasible for Inbound Sales

The FCC has historically exempted customer-initiated sales ("inbound sales") on the grounds that there is little risk of fraud in a customer-initiated context and – perhaps – because of the cost and operational difficulty of providing TPV for inbound sales. For example, a 30-second advertising spot run by a major national carrier can result in literally thousands of customer-initiated responses and it is often not economically practical for a live operator TPV provider to have sufficient staff to verify the large number of orders that come in these "bursts".

Various parties have complained that the exemption of inbound sales creates a significant loophole in the verification requirements that could be abused by an unscrupulous carrier. The Commission itself has suggested that this is one area of potential change for the rules regarding slamming.

VoiceLog takes no position on the need for verification for inbound sales, but we can show that verification for such sales can be economically and operationally feasible.

Using its automated TPV platform, VoiceLog can provide TPV services for these sales at a cost of between $0.30 and $1.65, depending on the client and the VoiceLog product selected. Even at the very highest charge of $1.65, this rate is still lower than the mean cost of live operator TPV services in the market generally[2]. In addition, VoiceLog's system is capable of handling literally thousands of calls in a very short period of time and can be engineered to meet the requirements of any of the major long distance companies. In short, there is no technical barrier to the implementation of automated TPV for inbound sales and the costs are less than what is generally paid for live operator TPV.

II. Automated TPV is Feasible for Face-to-Face Sales

Although signed letters of agency ("LOAs") are an accepted method of recording the customer's authorization for a PC change, LOAs have some significant limitations. In particular, as VoiceLog has noted in previous filings, LOAs can be forged and LOAs depend on the literacy of the customer. MCI has noted large reductions in slamming complaints as a result of imposing a TPV requirement on its orders, whether or not they include an LOA.

VoiceLog takes no position on the need of TPV in situations in which an LOA has been signed. If the Commission wishes to impose a TPV requirement on face-to-face sales, however, we would point out that TPV can be used in this context.

VoiceLog has already successfully implemented an automated TPV system for so-called "multi-level marketing" sales. This system involves the use of an automated callback, in which either the customer or the sales representative calls into the VoiceLog system to initiate a callback. After the initiation call, the

[1] See "The Third Party Verification Market", TPV Market Report and Forecast, Multimedia Publishing Corporation, 1998.

[2] See "Third Party Verification Costs", TPV Market Report and Forecast, Multimedia Publishing Corporation, 1998. The editors says that most clients report costs per verification between $2.00 and $3.00.

VoiceLog system places a call to the customer's telephone and uses a standard verification script. Because the VoiceLog system placed the call to the customer, this approach has the advantage of verifying the customer's telephone number, as well as the verification conversation. (A diagram of the call flow is attached in the appendix.)

One of the potential risks of fraud in face-to-face sales is sales representatives posing as legitimate customers. So, for example, a sales representative could pose as a customer to the third party verifier, answer the verification questions and have a sale verified without the actual consent of the customer. (This risk exists equally in both live operator and automated TPV). The callback process offers one solution to this problem, since the sale is not verified without a completed call to one of the affected telephone numbers. In addition, VoiceLog is developing the use of speaker verification technology – which uses a process popularly known as "voice prints" - to detect sales representatives who pose as customers.

The callback process is significantly more expensive than most of VoiceLog's TPV services, but is still priced at between $1.65 - $1.85 per attempted verification, which is less than the average market price for live operator verification. In addition, the automated process is available 24 hours per day, 7 days per week, so it can used in almost any field sales context required by a telecommunications marketer.

III. Automated TPV is Feasible for "Sweepstakes Box" and Direct Mail sales

One of the major sources of slamming fraud has been in the use of "sweepstakes box" and other sales methods that provide unsupervised collection points for LOAs. The unsupervised nature of these methods allows unscrupulous persons to place fraudulent LOAs or unauthorized LOAs. While sweepstakes boxes are illegal in some contexts, they are still used in many others.

Although the success rate of verification will be much lower, automated TPV can be used to verify these types of sales. An automated call is placed to the telephone number on the LOA and the standard verification script is played. If the customer wishes to verify the sale, they may. In addition, the script is deigned to allow the customer to deny verification and end callback further callback attempts within the first 15 seconds of the call.

This form of automated TPV will generally cost between $1.25 to $1.85 per LOA – still less expensive than live operator verification – and we believe that 75% - 85% of the "good" sales – that is, the sales in which the customer actually intended to have their PC changed – will be verified. (This estimate is based on VoiceLog's experience and discussions with its competitors regarding the success of their live operator callback programs). There will generally be a delay of 1-5 days in obtaining the verification, but the process is available for implementation immediately.

IV. Automated TPV is Feasible for PC Freezes

Many commenters to the Commission's FNPRM on slamming suggested that verification methods should be imposed on PC freezes. These commenters argued that ILECs could no longer be considered neutral in the PC change, since they were competing with the carriers submitting PC changes, both for local exchange and, eventually for interexchange services.

Automated TPV provides an ideal method for verifying and reviewing a customer's choice to "freeze" the PC selection. In particular, VoiceLog's system offers the following capabilities that could be used in facilitating a PC freeze process:

- Audio recording of every verification. VoiceLog captures the name and other information regarding the customer.
- On-line storage of audio recordings for instant retrieval. In those instances where a PC freeze had been in place and the customer provided permission to remove or transfer such a freeze to another carrier, the VoiceLog record could be played over the telephone to by the succeeding

carrier to the existing carrier. In addition, VoiceLog can also provide access to its audio recordings via the World Wide Web and can send them to carriers by e-mail and via FTP over the Internet.

- Inter-carrier reporting. VoiceLog and other TPV providers could easily transmit reports to carriers indicating the existence of PC freeze changes from one carrier to another. Some form of authentication should be devised to ensure that the transmissions of such reports came from the TPV provider.
- Authentication methods to avoid fraud. As we have noted, no method of verification is perfect, but there are many techniques which can be used to greatly enhance the authenticity of the customer's verification. Callbacks, live operator review, and speaker verification technology are just three of the methods VoiceLog has devised to protect consumers from slamming. The Commission could require that some form of enhanced security be used in the case of a PC freeze to reduce the level of fraud risk to the smallest possible level.

In devising a process for PC freeze verification and administration, we suggest that the Commission adopt standards which a carrier can use to accept a TPV provider's verification records. In the past, we have suggested the possibility of a certification process for TPV providers and we believe that certification could be a useful tool in PC freeze administration.

B. Other Considerations for Verification of PC Change Orders

I. The Commission should be more consistent and clear with regard to verification requirements.

The current set of verification methods available to carriers is a hodgepodge of tactics aimed at various concerns which vary from method to method. For example, only the "electronic verification" method verifies the customer's telephone number, since it requires ANI capture. TPV requires some form of "appropriate verification data" for post hoc customer authentication and requires some physical distance between the sales process and the verifier, while LOAs are entirely dependent on a signature for post hoc authentication and provide no physical distance between the sales process and the verification method (that is, the LOA, itself). LOAs have detailed requirements regarding form and content, but there are virtually no guidelines for TPV or electronic verification scripts. Electronic verification, TPV and LOAs all offer some (but varying) degree of audit trail, while the Welcome Package has no audit trail at all.

We would suggest that the Commission adopt standards by which any verification method can be judged. In particular, we would suggest that the Commission consider the following:

- How should the transaction in which the customer is engaging be described? Should it be in the same language as that used for the sales presentation? Should there be requirements for clarity and comprehension?
- How much latitude should verification methods have in identifying the customer's identity? Should the verifier be responsible for making any proactive attempt to identify the customer's identity or are post hoc methods of identification sufficient?
- What standards should there be in judging the integrity of the verification process? Should there be an audit trail? Should carrier-controlled methods – such as LOAs and electronic verification be subject to more scrutiny than TPV, which involved an "independent third party"?

II. Specific suggestions for verification requirements.

As we have in the past, VoiceLog would argue for the following:

- Carriers should have a wide range of verification methods available to them, as long as those verification methods are – or can be - subjected to audit and scrutiny. Rather than prescribing specific methods, we believe the Commission should adopt a standard of effectiveness and allow carriers or verification vendors to submit methods that may offer innovative and effective ways to verify orders. VoiceLog's own experience demonstrates the value of the marketplace in driving innovations that can both reduce costs and improve effectiveness.

- "Independent third parties" should be subject to review and audit, as well. There should be standards for what constitutes "independence" and some attempt to insure competence of the vendor. A certification process that can at least eliminate a TPV vendor's ability to provide services can weed out companies that offer little real protection to the consumer.

- Specific elements should be specified in the scripts and verifications should be conducted in the same language as that used in the sales presentation.

In addition, we would recommend that the Commission allow for the use of alternative methods of identifying the customer, such as speaker verification technology, callbacks to the affected number or other methods which may be proposed and would be effective. As VoiceLog has argued in the past (see attached brief), the use of social security number, birthdays and other personal information is intrusive, ineffective and unnecessarily costs carriers potential sales.

Conclusion

In these comments, we have shown that automated TPV can provide a viable means of verifying customer authorization for PC changes in a wide range of sales and marketing situations. We offer this information to the Commission, which may be searching for means of preventing slamming that are effective without unduly reducing competition. Automated verification is less expensive, more flexible and potentially more effective than live operator verification and can be used for inbound and outbound telemarketing, multi-level marketing sales, sweepstakes boxes, PC freezes and many other contexts.

In addition, we have offered our opinions in how the Commission can best construct verification standards.

Please feel free to contact us if you have any questions regarding these comments.

Respectfully Submitted,

James Veilleux
President, VoiceLog LLC

VoiceLog Ex Parte Comments
November 15, 1998
CC Docket 94-129

Appendices

"Speaker Verification Technology as a Means of Meeting the 'Verification Data' Requirements of Third Party Verification"

Total Slamming Control – Advertisement

Total Slamming Control – Press Release

Total Slamming Control – Call Flow Diagram including callback

Callback verification script

Speaker Verification Technology as a Means of Meeting the "Verification Data" Requirements of Third Party Verification
June 29, 1998 – VoiceLog LLC

In this paper, VoiceLog argues that the use of speaker verification technology is a superior alternative to traditional means of "verification data," such as social security number and date of birth. Speaker verification is both more secure and reliable as a means of identifying the customer correctly and furthers the public policy objectives of protecting privacy and enhancing competition. Speaker verification also offers the potential to enhance the central goal of insuring that it is the customer who provides the authorization for a service change order.

In contrast, traditional forms of verification data in third party verification present serious flaws. The ready public availability of personal identification information (social security number, date of birth, etc.) makes these forms unreliable. In addition, there is no guarantee that the customer is providing correct information. Public policy should be to reduce the amount of consumer disclosure of personal data, such as social security number. Finally, using personal data inhibits effective competition in the telecommunications markets.

1. Carriers have the option of using speaker verification technology as "verification data"

1.1. There are no specific requirements for "verification data"

Current FCC third party verification rules leave room for broad interpretation. The rules require only "appropriate" verification data, and list date of birth and social security number as examples of this data[1]. Because these are only examples, however, neither of these particular items is required.

Although it is common practice to ask for date of birth or social security number, currently there are no rules at either the Federal or state levels specifying the exact type of verification data required. Most states and the FCC require only "appropriate verification data" during the verification interview, with little guidance regarding what is "appropriate[2]."

1.2. *Post hoc* identification is the measure of "appropriateness" in third party verification

"Verification data" – as currently used - serves little purpose other than *post hoc* use for dispute resolution. A third party verification representative has no means of checking the validity of the information received from the customer. Although they are available, third party verification providers do not use databases of social security numbers, dates of birth, etc. to determine if the customer's report of those items is accurate. Furthermore, such databases are commonly incomplete, making it impossible to rely on these to process customer orders.

Because the "verification data" is useless in validating the customer's identity during the verification process, the only logical use of the data is *post hoc,* to "prove" that the customer provided their authorization in the case of a dispute.

2. Traditional forms of "verification data" are unreliable

2.1. Easy accessibility compromises social security number, date of birth, etc.

The underlying assumption about traditional forms of verification data is that it can be provided only by the customer, since the telemarketer or telephone company would generally not know them. However, The Internet has made finding personal information about virtually anyone a simple task.

[1] 47 C.F.R. 64.1100 pp 193-4.

[2] Most regulations were found on the Internet at the following:: CA; www.cpuc.ca.gov LA; www.lpsc.org ME; www.state.me.us/mpuc NY; www.dps.state.ny.us TX; www.puc.texas.gov

Will Rodger for Inter@ctive Week asserts that "thousands of online databases are now dedicated to revealing personal information about ordinary citizens, either through proprietary "dial-up" services or, increasingly, through the Internet[3]." Background America, PI Mall, and Dig Dirt Inc. all specialize in gathering data on individuals legally. The Lexis-Nexis database, P-Trak, includes over 300 million names, and the current address, up to two previous addresses, telephone numbers, and maiden name of most of these individuals[4]. Database company, R. L. Polk, asserts that their files containing personal information cover 96% of American households[5]. The Find A Friend Home Page sells phone numbers, date of birth, previous addresses, and social security number for an individual for $20[6].

In short, the fundamental assumption of traditional "verification data"– that the information is known only to the customer - is invalid. Thus, the telephone company's ability to produce personal information to prove - *post hoc* – that the customer did provide authorization, is meaningless.

2.2. Customer reports of "verification data" may be invalid

Because there is no validation check on the verification data provided by customers there is no guarantee that the information provided is truthful. Traditionally, this has not been a problem, since there was no incentive for the customer to lie. However, new regulations may make it attractive for some customers to lie in an attempt to falsely claim they were slammed.

Many state public service commissions are considering and drafting rules that would free a slammed customer from paying any part of the phone bill that they were illegally sent. The state of Maine recently passed an act in which a slammed customer would receive "*any* amount paid to [the] carrier on the customer's behalf[7]." Florida's Public Utility Commission also recently adopted rules that provide for the first month of charges to be paid by the offending slammer[8].

Unscrupulous consumers will discover the benefits of lying about a social security number or other identifying information in order to establish a claim of slamming. The verification information would be invalid, yet the consumer *did* agree to the switch. As the laws are changed to favor the victims of slamming, there is a possibility that consumer complaints regarding slamming will actually increase.

3. Speaker verification is a superior form of verification data

3.1. Speaker verification defined

Speaker verification is the use of electronic registering of an individual's voice, based on factors like pitch, tone, and voice modulation, to verify the user's voice. The electronic register of the individual voice creates a "voice print" unique to the individual. Speaker verification can be applied in different ways – to settle a dispute about a customer's identity, or, in more advanced applications, to prevent sales representatives or their cohorts from pretending to be legitimate customers authorizing a long distance telephone switch.

3.2. Speaker verification is a reliable form of verification

Speaker verification is a reliable means of *post hoc* identification of the authorizing voice in a verification recording. Judith Markowitz, an industry expert and publisher of the Voice ID Quarterly newsletter, asserts that "your voice is distinctive to you alone; it can't be stolen or duplicated[9]." Vendor claims of accuracy for speaker verification range from 85% - 99%, and the technology is

[3] Will Rodger, Inter@ctive Week December 1, 1997
[4] Edmund Meirzwinski, "At Home With Consumers" 5/98.
[5] www.quikpage.com/R/rlpolk
[6] www.findafriend.com
[7] H.P. 1494 L.D. 2093 Sec. 1. 35A MRSA 7106
[8] F.A.C., Local, Local Toll, or Toll Provider Selection; Rule 25-4.118 Sec.(8)
[9] J. Markowitz, Consultants, Northwestern University Research Park, jma9057@nwu.edu, retrieved 25/6/98

constantly improving. As Tas Dienes, Executive Vice President of I/O Software put it: "Biometric technology [including speaker verification] is poised to really take off in the next year or so.[10]"

As one writer put it, in the context of calling card fraud: "even an imperfect [speaker verification] system, which may in fact let in 5% or so of imposters, could make the call-selling business unattractive enough to deter most card-selling fraudsters[11]."

There are many vendors of this technology. The Nuance6 and Nuance Verifier, as well as the T-NETIX SpeechEZ system, are cutting-edge programs catering to the new speaker verification market. The Fujitsu Limited VoiceSync verification system has "the accuracy of 95% with 10 seconds of voice sampling, with an additional 50 seconds of voice sampling the accuracy level jumps to 99%[12]. In company tests Linkon's VoicePass 4000 achieved 99.52% accuracy[13]. These programs are moving toward achieving reliability that never existed in the world of social security and PIN numbers.

3.3. Speaker verification is superior to personal information as a security technique

Since the customer meets the verification requirement with speaker verification by simply speaking, the need for invasive and unreliable personal information is eliminated.

Frank Smead, Director of SpeakerKey points out that "not only is 'mother's maiden name' . . . vulnerable to fraud, but it requires expensive, on-line human operator time to obtain and verify the information[14]." Recently, Judith Markowitz lauded a new product called VeriVoice as providing "rock-solid security that ... most importantly, overcomes the many user problems associated with passwords[15]."

4. Speaker verification enhances consumer privacy interests

4.1. Encouraging the release of personal information is contrary to public policy

As personal information becomes increasingly less personal, many lawmakers and authorities are urging the individual to be wary about handing out that information. New Jersey Representative Bob Franks introduced HR 1287 that would have prohibited the disclosure of social security numbers or using them as a key to accessing other personal information by "interactive computer services." A recent Federal Trade Commission report attacks the casual means by which many companies collect and use personal data[16]. Many watchdog organizations are urging consumers to adopt an active policy of not giving out social security numbers. The University of Pennsylvania recently removed social security numbers from student ID cards to avoid privacy issues raised by the visibility of the number on the frequently-used cards.

Customer provision of personal information compromises the nature of that data. Consumers are constantly warned to guard their personal information against those who would use it for fraudulent purposes. It is therefore ironic that FCC and many state regulations regarding third party verification

[10] "I/O Software Announces Biometric API 1.1 Specification", M2 Presswire, 4 June 1998

[11] Retrieved from the European Caller Verification project (CAVE) website, www.ptt.telecom.nl/cave/project.html, 25/6/98

[12] FUJITSU: "World's first free style voice verification software from Fujitsu & ANIMO", M2 PressWIRE, 17/4/98. M2 Communications, Ltd. www.fujitsu.co.jp/index-e.html retrieved 25/6/98

[13] "VOICE RECOGNITION", Automatic I.D. News, 1/8/96, pp 36.

[14] Frank Smead "Is it Time to Retire PINs, Passwords and Maiden Names?" Speech Technology. June/July 1998

[15] J. Markowitz, Consultants, Northwestern University Research Park, jma9057@nwu.edu, retrieved 25/6/98

[16] "Net Worsens Fear of Losing One's Privacy", Arizona Republic, 16 June 1998

can be construed to require personal information to verify an order for long distance service[17]. Good public policy requires that – to the extent possible – government advice to consumers be consistent, and that one agency not encourage or require behavior which is discouraged by another.

4.2. Speaker verification avoids privacy invasion

Speaker verification allows the customer to maintain privacy because the key identifying factor is no longer a social security number or date of birth, but the voice of the customer. Keyware Technologies' VoiceGaurdian is hailed as an accurate and "non-intrusive" verifier that can be "seamlessly integrated with authentication methods already in place[18]..."

Voiceprints eliminate further invasions of consumer privacy while reducing the possibility of fraud through wrongfully used personal identifiers or lying on behalf of the customer. A voice print, used in place of standard personal information questions, requires no personal information from the customer.

5. Speaker verification promotes competition while allowing for some verification during an order

5.1. Speaker verification promotes competition

It is well known among telemarketers that many customers refuse to provide their social security numbers, dates of birth and other personal information to sales people over the telephone. As the above discussion makes clear, these customers are acting rationally, in accord with current public policy advice. However, these customers are prevented from placing an order with a telephone sales representative if the order requires third party verification. By eliminating the requirement for personal information and replacing it with speaker verification, these customers can be served in the same convenient manner as other customers.

5.2. Speaker verification provides an opportunity for additional security against slamming

Speaker verification can be used to block certain forms of "impostor customers" - specifically, those in which the sales representative is pretending to be a valid customer. In this use of speaker verification, each sales representative would pre-register their voice print in the computer database and that voice print would be checked against the recordings of customer orders. Voice prints which matched would indicate a sales representative posing as a customer. In addition, speaker verification could be used to eliminate duplicate voice prints among customer orders. This capability would drastically reduce orchestrated slamming by an individual employee.

In summary, speaker verification is allowable under current regulations, does a better job of meeting the underlying objective of the regulation, is less intrusive of consumer privacy rights, and offers the opportunity to eliminate certain types of fraud which are known to exist in slamming cases. The switch from personal information to speaker verification in third party verification is therefore strongly advisable.

[17] The writer of one article found that AT&T was unwilling to process his order without providing a social security number, see: "Net Worsens Fear of Losing One's Privacy", Arizona Republic, 16 June 1998

[18] David Butler. "Speech Recognition Technology Comes Home." Star Tribune, 14 November 1996, pp 11. KEYWARE TECHNOLOGIES: "Keyware and PING announce app of voice verification in Internet-related services" M2 PressWIRE, 24/11/98

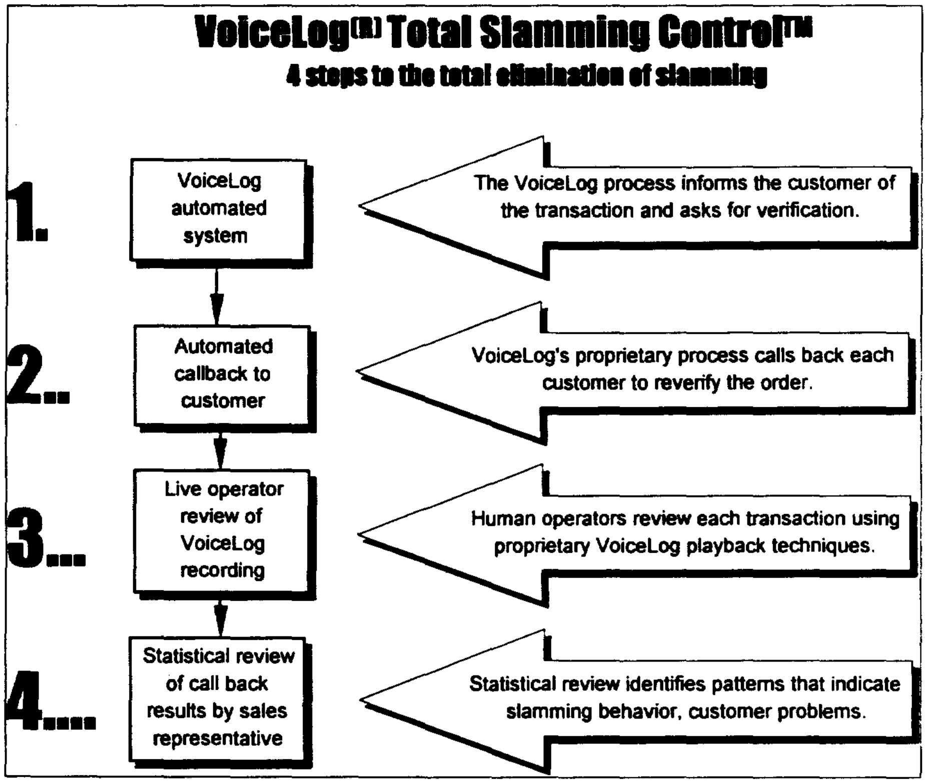
Total Slamming Control™

No slamming. More sales. Big savings. Guaranteed.

How Total Slamming Control™ Works:

Total Slamming Control verifies your customer's order not once, but three times, using the most field-tested and proven automated verification system and combining it with a host of quality control checks.

The result: a verification process that guarantees* to stop slamming while still delivering the maximum number of good orders.



VoiceLog(R) Total Slamming Control™

4 steps to the total elimination of slamming

1. VoiceLog automated system — The VoiceLog process informs the customer of the transaction and asks for verification.

2. Automated callback to customer — VoiceLog's proprietary process calls back each customer to reverify the order.

3. Live operator review of VoiceLog recording — Human operators review each transaction using proprietary VoiceLog playback techniques.

4. Statistical review of call back results by sales representative — Statistical review identifies patterns that indicate slamming behavior, customer problems.

No slamming. More sales. Big savings. <u>Guaranteed.</u>

* *VoiceLog® will pay up to $5,000 of any fine imposed for an order verified through Total Slamming Control. Certain conditions apply. Call for details.*

VoiceLog

301-230-2129

http://www.voicelog.com

The Leader in Automated Third Party Verification

Press Release

Charlotte, NC// May 11, 1998// VoiceLog, LLC, the leading provider of automated third party verification today announced Total Slamming Control™, a new service designed to completely eliminate slamming – the unauthorized switching of customer telephone services.

Total Slamming Control provides three separate verifications of the customer's order, including a full audio recording of the customer providing their authorization, a live operator review of the recording, plus one or more callbacks to the customer to confirm their decision to change telephone service providers. In addition, VoiceLog conducts an inventory of the telephone company's sales practices and conducts statistical audits to look for potential problems in verifications. Conventional third party verification involves a live operator asking the customer for their authorization.

Total Slamming Control was designed to eliminate the ways that unethical sales representatives get around standard third party verification. For example, a sales representative might recruit a friend to pretend to be a customer, giving the authorization to the third party verifier, who has no way to know if the voice is that of the customer or not. The call back process stops the "impostor customer" and allows customers to rethink their decision to switch without having the sales representative on the telephone. Additional callbacks may check for other problems associated with unethical sales representatives.

Despite its stringent control of improper orders, Total Slamming Control is designed to maximize the number of good orders that are verified. By using its market-tested script and a number of proprietary techniques in the callback phase, Total Slamming Control makes the verification process as pleasant as any live operator verification.

In addition, Total Slamming Control is designed to be used both for telemarketing and non-telemarketing sales. Traditionally, third party verification is used only for telemarketing sales. VoiceLog has created special processes that account for the unique characteristics of direct and agent sales, as well as for direct mail, sweepstakes, and other types of sales.

One very special feature of Total Slamming Control is its guarantee, which promises that VoiceLog will pay up to $5,000 of any fine imposed as a result of an order verified by Total Slamming Control. The guarantee is backed by a multi-million dollar liability insurance policy.

"Total Slamming Control is completely unique," said Jim Veilleux, President of VoiceLog. "We've taken what we've learned as the only significant provider of automated verification and combined it with more than 10 years of sales, marketing and human behaviors research. The result is a system that will yield more sales, cost less and prevent virtually all slamming behavior."

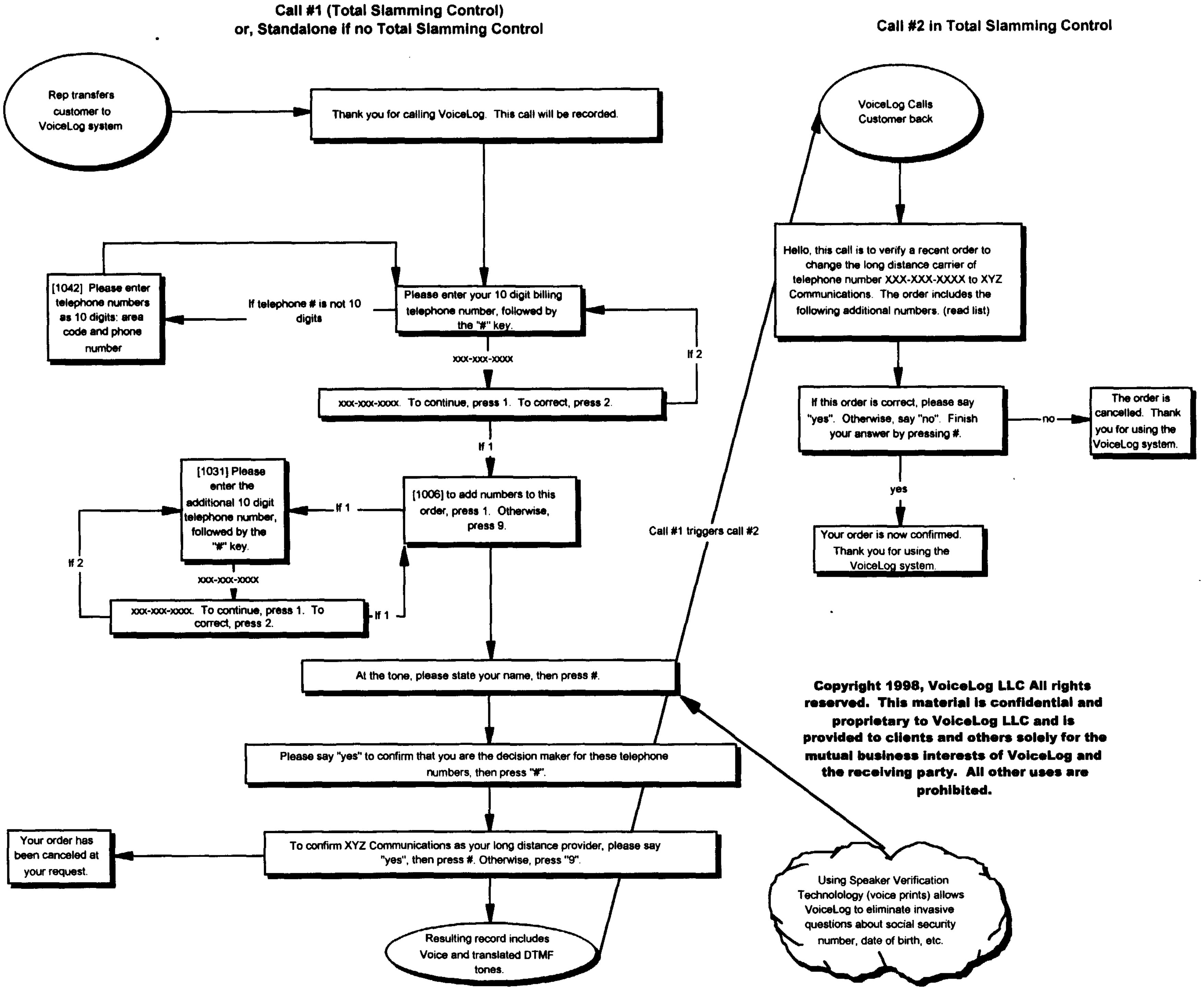
"Total Slamming Control is exactly what the industry is looking for," said Michael S. Bobjak, Director of National Sales for USLD/LCI. "With FCC fines as high as $6 million and the possibility of decertification and even jail time, slamming is just too big a risk to take. VoiceLog has already proven its ability to provide a reliable, high quality verification service. Total Slamming Control is the logical product extension from a company that has earned the industry's trust."

Companies who are interested in Total Slamming Control should contact Larry Leikin at 301-230-2129 or check VoiceLog's Internet site at http://www.voicelog.com.

VoiceLog is based in Charlotte, NC and is the leading provider of automated third party verification. In addition to slamming, VoiceLog offers services to prevent "cramming" – the unauthorized billing of services on customer's telephone bills, and to document customer permission to use Customer Proprietary Network Information, or CPNI.

VoiceLog is a registered trademark and Total Slamming Control is a trademark of VoiceLog LLC.

VoiceLog Total Slamming Control TPV Script without Personal Information



Call #1 (Total Slamming Control)
or, Standalone if no Total Slamming Control

Call #2 in Total Slamming Control

Rep transfers customer to VoiceLog system

Thank you for calling VoiceLog. This call will be recorded.

Please enter your 10 digit billing telephone number, followed by the "#" key.

[1042] Please enter telephone numbers as 10 digits: area code and phone number

xxx-xxx-xxxx. To continue, press 1. To correct, press 2.

[1006] to add numbers to this order, press 1. Otherwise, press 9.

[1031] Please enter the additional 10 digit telephone number, followed by the "#" key.

xxx-xxx-xxxx. To continue, press 1. To correct, press 2.

At the tone, please state your name, then press #.

Please say "yes" to confirm that you are the decision maker for these telephone numbers, then press "#".

To confirm XYZ Communications as your long distance provider, please say "yes", then press #. Otherwise, press "9".

Your order has been canceled at your request.

Resulting record includes Voice and translated DTMF tones.

VoiceLog Calls Customer back

Hello, this call is to verify a recent order to change the long distance carrier of telephone number XXX-XXX-XXXX to XYZ Communications. The order includes the following additional numbers. (read list)

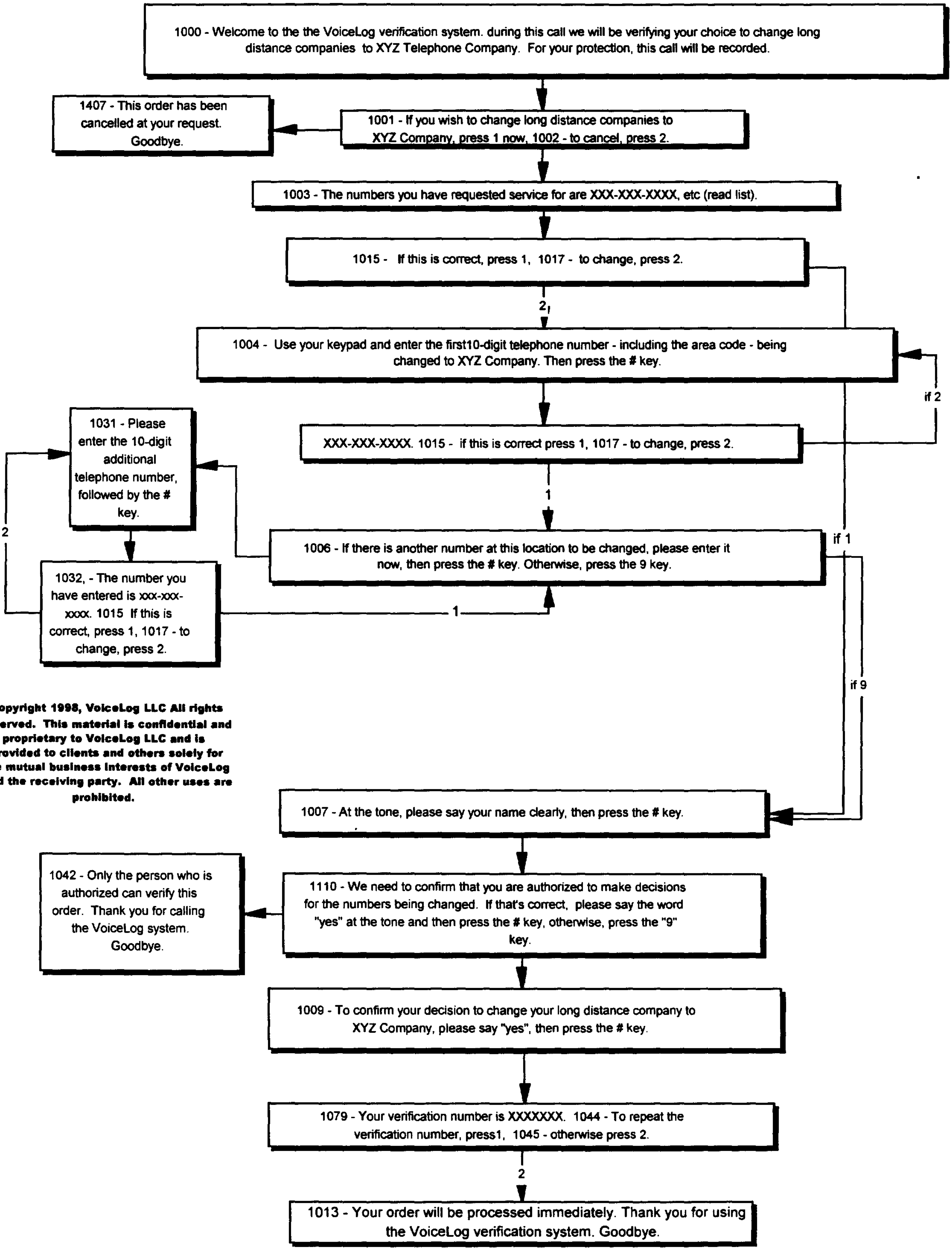
If this order is correct, please say "yes". Otherwise, say "no". Finish your answer by pressing #.

The order is cancelled. Thank you for using the VoiceLog system.

Your order is now confirmed. Thank you for using the VoiceLog system.

Using Speaker Verification Technolology (voice prints) allows VoiceLog to eliminate invasive questions about social security number, date of birth, etc.

VoiceLog Callback Verification Process



1000 - Welcome to the the VoiceLog verification system. during this call we will be verifying your choice to change long distance companies to XYZ Telephone Company. For your protection, this call will be recorded.

1001 - If you wish to change long distance companies to XYZ Company, press 1 now, 1002 - to cancel, press 2.

1407 - This order has been cancelled at your request. Goodbye.

1003 - The numbers you have requested service for are XXX-XXX-XXXX, etc (read list).

1015 - If this is correct, press 1, 1017 - to change, press 2.

1004 - Use your keypad and enter the first10-digit telephone number - including the area code - being changed to XYZ Company. Then press the # key.

XXX-XXX-XXXX. 1015 - if this is correct press 1, 1017 - to change, press 2.

1031 - Please enter the 10-digit additional telephone number, followed by the # key.

1032, - The number you have entered is xxx-xxx-xxxx. 1015 If this is correct, press 1, 1017 - to change, press 2.

1006 - If there is another number at this location to be changed, please enter it now, then press the # key. Otherwise, press the 9 key.

1007 - At the tone, please say your name clearly, then press the # key.

1110 - We need to confirm that you are authorized to make decisions for the numbers being changed. If that's correct, please say the word "yes" at the tone and then press the # key, otherwise, press the "9" key.

1042 - Only the person who is authorized can verify this order. Thank you for calling the VoiceLog system. Goodbye.

1009 - To confirm your decision to change your long distance company to XYZ Company, please say "yes", then press the # key.

1079 - Your verification number is XXXXXXX. 1044 - To repeat the verification number, press1, 1045 - otherwise press 2.

1013 - Your order will be processed immediately. Thank you for using the VoiceLog verification system. Goodbye.